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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

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National Intelligence Officers

24 May 1976

MEMORANDUM FOR: The Honorable Brent Scowcroft
Assistant to the President
(National Security Affairs)

SUBJECT : India: Present Scene, Future Prospects

The attached interagency intelligence memorandum basically concludes that India will continue much along the same course as it has been following for the past year. Gandhi is in full control and no challenge to her appears likely. In the foreign relations field, relations with the United States are not likely to improve markedly, and there will be periods of strain alternating with moves toward accommodation.

Acting National Intelligence Officer
for South and Southeast Asia and Africa

Attachment

EXECUTIVE REGISTRY FILE

I-15

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Headquarters

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**Interagency
Intelligence
Memorandum**

India: Present Scene, Future Prospects

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NIO IIM 76-021
May 1976

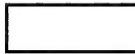
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24 May 1976

INTERAGENCY INTELLIGENCE MEMORANDUM*

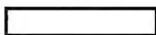
SUBJECT: India: Present Scene, Future Prospects

KEY POINTS

- Prime Minister Gandhi is fully in control of political life in India and appears likely to face no serious opposition over the next one to three years.
- Most Indians seem to have accepted the national emergency proclaimed in June 1975.
- Continued support for Gandhi will be heavily dependent on her ability to maintain sufficient food stocks, to control inflation, and to stimulate economic activity.
- Gandhi, aware that opposition is likely to mount if the emergency continues indefinitely, might ease some of the restrictions, though the basic authoritarian structure constructed since the emergency will probably remain.
- She might well choose to hold national elections later this year or in 1977 and the Congress Party

* This memorandum has been prepared jointly by the Central Intelligence Agency, the Defense Intelligence Agency, the Bureau of Intelligence and Research of the Department of State, and the Department of the Treasury.

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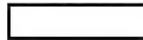
would almost certainly win overwhelmingly.

- Gandhi has indicated some form of control over the press will continue indefinitely.
- India is likely to become more active in international affairs.
- Gandhi may try to reassert India's leading role in the non-aligned movement.
- India will continue to have little tolerance for opposition to New Delhi's policies on the part of the smaller states in the region.
- Relations with Bangladesh present the most likely source of trouble and Indian military intervention cannot be ruled out.
- The re-establishment of diplomatic relations between India and Pakistan will improve communications between them, but relations will probably be cool and correct and interspersed with periods of heightened tensions.
- Any major improvement in Sino-Indian relations appears to be a long-term proposition.
- India will become somewhat less reliant on Moscow for military supplies but political ties will remain close.
- Relations with the United States will probably remain restrained.
- New Delhi will almost certainly conduct additional nuclear tests, but the timing of such tests is uncertain, and we believe that no test is likely before this fall.

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THE DETAILS

NOTE

This memorandum is an attempt to describe the present political situation in India and to estimate what is likely to happen, both in domestic politics and foreign relations, over the period of the next one to three years. It discusses some of the factors underlying the widespread acceptance in India of the national emergency, proclaimed in June 1975, and the present impotence of the opposition to Prime Minister Gandhi. At the end of the memorandum, we examine, briefly, what might happen in the event Gandhi were suddenly removed from the scene.

The Present Internal Scene

The Government and Congress Party

1. Prime Minister Gandhi has fully established her dominance over the nation.
 - Within the cabinet, the two men once considered potential rivals of Gandhi, Foreign Minister Y. B. Chavan and Minister of Agriculture Jagjivan Ram, have been neutralized by Gandhi's astute maneuvering.
 - Within the Congress Party, the group of relatively young parliamentary members who, on occasion, criticized the prime minister and threatened to become an opposing bloc within the Party are now either in jail or silent.
2. Gandhi's domination of the Party is exercised far beyond the capital. She has replaced those state chief ministers who had achieved independent bases of support with politicians of known loyalty. The last remaining chief minister within the Congress Party who could claim an independent power base was removed in 1975.

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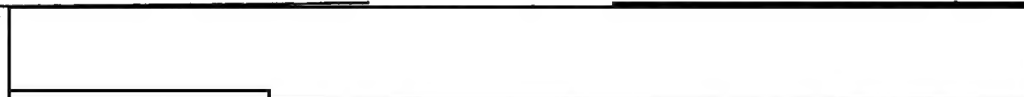
-- In early 1976 Gandhi eliminated the only two major state governments, Tamil Nadu and Gujarat, not under rule of the Congress Party or its allies. Both states are now under direct rule from New Delhi.

3. In both government and party, Gandhi has made it clear that she wants individuals whose loyalty to her is beyond question.* Development of a personality cult around the prime minister has been one of the more prominent features of the emergency. While not exactly alien to Indian tradition, it is at odds with the nation's political history since independence. Gandhi's father, Jawaharlal Nehru, was the leader of his nation for 17 years, but he rejected setting himself beyond criticism, fearing it would lead to dictatorship. During his years in power, he generally sought compromise rather than confrontation, urging on his countrymen "the politics of consensus."

4. The prime minister relies for advice on a small group of confidants including her 30-year-old son, Sanjay. This inner circle is composed of bureaucrats and family retainers, reflecting the prime minister's general distrust of politicians who might one day challenge her control. Sanjay holds no position in the government and only recently was elected to the executive committee of the youth wing of the Congress Party. In this post he has traveled widely throughout the country and has already established a cadre of youthful supporters who apparently are intent on hitching their wagons to Sanjay's rising star. The prime minister has apparently encouraged the recent campaign to publicize Sanjay and present him to the nation as a potential successor.

5. The Military. Gandhi's government has maintained the loyalty of the military and the security forces during the emergency. The officer corps of the armed forces is highly nationalistic and traditionally apolitical. Some senior military officers

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D.K. Barooah, President of the Congress Party, is credited with originating the widely publicized slogan "Indira is India and India is Indira."

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have privately applauded the greater sense of national discipline which exists under the emergency. The army would prefer not to participate in internal security operations, and Gandhi, cognizant of this, has thus far relied primarily on paramilitary forces. The government has ample well-trained and equipped paramilitary forces at its disposal for the maintenance of internal security. These include the Border Security Force (80,000), the Central Reserve Police (60,000), and the Provincial Armed Constabulary (242,000).

Supporters of the Emergency

6. There is widespread acceptance of the emergency.
- The upturn in the Indian economy since the emergency was declared in June 1975, even though the emergency played only a minor role in it, has worked in Gandhi's favor.
 - The largest fall harvest in history, due to a good monsoon last year, combined with tight monetary policies started in 1974, have kept food available and prices down for urban workers.
 - Many Indians applaud the government's energetic drive against economic crimes, such as hoarding and black marketeering, and its efforts to reduce corruption and improve the functioning of the civil service.
 - Businessmen are generally pleased by the curb on strikes and by the government's relatively favorable action toward the private sector.
 - The rural landlords are pleased by the government's emphasis on discipline and with the high priority accorded agriculture.

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- The Indian peasantry, which makes up 80 percent of the population, has remained apathetic and fatalistic.

Opponents of the Emergency

7. Under the emergency, the opposition [] operates under many constraints, none perhaps as limiting as the tight censorship of the media. By closely controlling the domestic press and radio, the government can insure that speeches by opposition members of parliament, proclamations by jailed leaders, mass demonstrations, or acts of sabotage will receive no publicity. As a result of this and other government policies, the opponents of Gandhi are isolated, weak, and ineffective.

8. Opposition to the emergency comes largely from the following:

- The numerically small intelligentsia, including most of the now muzzled Indian press; this is basically a non-activist opposition which criticizes, usually privately, Gandhi's actions.
- The universities, where there has been some open opposition -- usually broken up quickly by the police; many student leaders and some faculty members have been intimidated and some jailed.
- The judicial system, particularly at the state level (the Supreme Court, in part reflecting Gandhi's use of her appointive power, has been relatively cooperative); Gandhi has called for "basic reforms" in the legal system.
- Opposition political parties, many of whose top leaders are in jail; this source of opposition has been ineffective and many party

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members have sought admission to Gandhi's Congress Party.

- Some elements of the labor movement, many of whose leaders are in jail.
- Political prisoners (out of the estimated 70,000-100,000 persons believed jailed since the emergency, perhaps 20,000 purely political prisoners remain incarcerated).
- Underground opposition; despite minor acts of sabotage, the underground movement is presently insignificant.

Foreign Relations

9. In the foreign policy field, the emergency has permitted Gandhi to act more freely in the knowledge that there would be no criticism or demonstrations by opponents of her policies. This freer hand, for instance, has allowed her to move toward improved relations with China and Pakistan without the open denunciation by the leaders and newspapers of the Jana Sangh or other Hindu nationalist organizations that might well have occurred prior to last June.

10. China and Pakistan. Gandhi's diplomatic initiatives toward these two neighbors, first taken in April 1976, are probably aimed primarily at demonstrating India's independence and refurbishing the nation's credentials as a truly non-aligned state in preparation for the Non-Aligned Summit in Colombo in August. (A few third world countries have criticized India's close ties to the Soviet Union -- in particular, the Indo-Soviet Friendship Treaty of 1971.) Beyond this immediate goal, Gandhi probably views improved relations with Peking, exemplified by the anticipated exchange of ambassadors after a lapse of 15 years, as useful in trying to limit Chinese diplomatic and material support for Pakistan and possibly as a means of neutralizing potentially unfriendly Chinese influence in Bangladesh.

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11. Agreement was reached with Pakistan in May 1976 to re-establish diplomatic relations, severed in 1971, to renew overflights and direct airlinks, and to restore rail communications between the two countries. New Delhi probably expects that normalization with Pakistan will help improve India's international standing, particularly among the Muslim nations, which have generally been sympathetic with Pakistan.

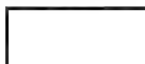
12. Bangladesh. Relations with Bangladesh have been less than cordial since the overthrow of the government of Mujibur Rahman in August 1975. Subsequently, Bangladesh's improved relations with Pakistan and China caused suspicion in India. Widespread popular and governmental distrust of New Delhi exists in Bangladesh, fueled by reports of Indian support for armed dissidents operating near the border and by India's action in diverting some water from the Ganges River upstream from the smaller country. Occasional fire-fights along the border have added to the tension despite agreement between the two nations to establish a joint border commission to investigate such incidents.

13. India appeared during the confusion that followed the second and third coups in Bangladesh last November to be seriously considering military intervention. Spokesmen in New Delhi then and since have repeatedly warned that if unrest in Bangladesh resulted in communal violence and a new horde of Hindu refugees fled across the border into India, as happened in 1971, Indian armed forces would intervene. Bangladesh leaders view the Indian threat seriously and have taken action to prevent communal clashes. Relations between the two countries remain cool and occasionally tense, but it appears that the government in New Delhi has concluded that the present regime in Dacca is the best that can reasonably be expected at this time.

14. USSR. Relations with the Soviet Union remain close, based in part on New Delhi's present reliance on Soviet military and economic assistance but

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also on general agreement regarding most important international issues. For their part, the Soviets openly praised Gandhi's decision to impose the emergency last summer. They have instructed the Communist Party of India (CPI), an informal ally of Gandhi's, to continue to support the prime minister on most issues.

15. Differences between Moscow and New Delhi, however, have arisen on occasion. Repeated Soviet requests for Indian diplomatic support for an Asian collective security pact have been rejected in New Delhi, as have Soviet requests for permanent repair and supply facilities for naval vessels in Indian ports. The recent Soviet refusal to allow India to repair Egyptian aircraft was a blow to India's image as an independent leader of the non-aligned. Moscow has not made an issue over India's recent initiative toward China.

16. US. Relations between India and the United States have remained cool since imposition of the emergency. Gandhi has been bitterly resentful of American and other Western criticism of her repressive actions. Her occasional public attacks on the United States over such issues as "interference" in South Asia and creation of a "naval base" on Diego Garcia are in contrast with her government's quiet support of initiatives to improve bilateral economic and cultural relations. A consistent irritant in relations for the last two decades -- Indian concern over the supply of American arms to Pakistan -- was exacerbated by removal of the US arms embargo on South Asia in February 1975.

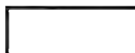
The Future

Government and Congress Party

17. For the short term, Gandhi appears firmly in control of India. There are no viable alternatives to her. Gandhi will continue her practice of removing from power anyone who appears to be developing

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an independent power base. Over the longer range, through mid-1979, we expect her to retain power. Challenges against her, however, could arise if the agricultural situation deteriorated.

18. Gandhi will continue to rely on her son, Sanjay, and a handful of relative unknowns for political advice. The rise to prominence of Sanjay has been one of the more remarkable developments during the emergency. We believe that he, encouraged by his mother, will exert increasing influence over domestic political developments. He is obviously being groomed for high office -- possibly as eventual successor to his mother. Gandhi must be aware, however, that her son's rapid rise to power has irritated many -- both within and outside the Congress Party -- and she will probably try to bring Sanjay along slowly. A seat in the next parliament is possible, although higher office within the Congress Party appears more likely. Conceivably, Sanjay may choose to retain only his present post in the youth wing of the Congress while gathering around him younger members of the party whose loyalty could be useful to him in a contest for power some years from now.

19. Gandhi can probably count on the continued loyalty of the military and the security forces. The military will remain with her as long as:

- it gets sufficient attention;
- economic disorders do not erupt on a wide scale; and
- the facade of legality exists.

We believe these conditions will be fulfilled in the time span of this memorandum.

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Support Dependent on Economy

20. Urban popular support for Gandhi will remain heavily dependent on her ability to maintain sufficient food stocks, control inflation, and stimulate economic activity. Thanks to the recent record-breaking food grain harvest and continued procurement of foodgrains from abroad, stocks of rice and wheat appear sufficient for the nation to survive at least one bad monsoon without serious food shortages or unduly high prices.

21. The Indian government's annual economic survey, supported to some extent by a recent World Bank report, is relatively optimistic about the present state and future trends of the economy. Much of the optimism is based on the estimated 114 million ton record harvest of foodgrains this crop year -- as compared to 101 million tons last year.* Over the next few years, however, the government will have to press energetically for more irrigation, better seeds, and increased use of fertilizers and pesticides if it is to reach the World Bank projection of 125 million tons by 1978-79. India will also have to grapple with massive unemployment and underemployment in the cities, and in this area the prospects are not promising. Over the still longer term, government attempts to improve living standards of the people will be as dependent on efforts to increase agricultural production as on a decline in population growth rates.

22. Industrial production has increased during the past year, but much of the industrial sector remains sluggish and troubled, with many firms facing slack demand and increasing inventories. The budget for 1976-77 contains a variety of tax incentives and offers of direct governmental financial assistance which will probably facilitate some increased industrial production.

** All tonnages used in this section are metric.*

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23. The Indian balance-of-payments outlook is relatively good, assuming that net foreign aid continues at present levels of about \$1.25 billion per year. Indian officials predict, somewhat optimistically, that because of recent petroleum discoveries in the Arabian Sea near Bombay total Indian production will increase from 8 million tons in 1975 to over 20 million tons by 1980. Moreover, coal production, which has increased from 78 million tons in 1973-74 to 98 million tons in 1975-76, is expected to reach 135 million tons by 1978-79. Both factors will decrease India's dependence on foreign oil. Although their ambitious energy goals may not be fully met, the increased production combined with anticipated increases in domestic supplies of non-ferrous metals, steel and fertilizer could lead to a decrease in the large annual trade deficit that India has registered for the last three years.

24. Gandhi appears likely to continue her program of publicly advocating socialist changes while attempting to stimulate the private sector of the economy with various incentives and a prohibition on strikes. Her long history of advocacy of socialism, however, could bring this program to an abrupt halt if the economy fails to respond. Sanjay, who boasts of advocating highly pragmatic policies to increase productivity, could be influential on his mother's thinking in this field. Businessmen have applauded the proposed budget for 1976-77.

25. Although some progress is likely, it is doubtful that India will make a major breakthrough in stepping up economic growth during the next several years. Much will depend on increased investment and a substantial boost in development expenditures. On balance, however, India's economy will continue to rely on its agricultural output, and despite some improvements in irrigation and increased use of fertilizer, the uncontrollable and unpredictable whims of the monsoons will be the critical factor.

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Possible Opposition

26. Organized labor, weak in India even before the emergency, can be expected within the next year to chafe under the ban on strikes and other labor agitation. Active resistance to the emergency appears unlikely, however, at least in the absence of a new round of inflation. Failure of the government to satisfy wage demands and prevent industrial layoffs at the high rate established in 1975 could cause isolated outbreaks of unrest.

27. Opposition to the emergency in rural areas is unlikely to develop into significant proportions, at least over the period of this estimate. Large landowners are nervous as a result of Gandhi's repeated calls for land reform but are encouraged by the history of government inaction that has accompanied such calls in the past. Small landowners and landless workers are unlikely to take an interest in politics but will become increasingly cynical if Gandhi's repeated exhortations to her government to enforce her Twenty Point Economic Program comes to nothing. Rural violence, however, is likely to be isolated and thus pose no great threat to the government.

28. The small urban middle class and the intelligentsia will continue to furnish the majority of Gandhi's active opponents. Student opposition is likely to grow if the emergency is continued much beyond the end of this year. To be effective, however, student agitation would need allies within the ranks of labor or the bureaucracy -- or even the police -- and prospects for such help appear remote over the short term.

29. The opposition political parties, with the possible exception of the ideologically motivated Jana Sangh and Communist Party of India/Marxist, are unlikely to recover from the blows to their organizations administered under the emergency. Despite the obvious need for unity among the opposition parties,

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the distrust stemming from ideological and personality differences will continue to make more than surface unity difficult to achieve. The movement of opposition legislators into the Congress Party can be expected to continue as individuals opportunistically seek to better their political fortunes.

30. There is only a slight possibility that the pro-Soviet Communist Party of India will abandon its de facto alliance with the Congress Party despite economic moves to the right by the government. Only economic chaos or a sharp turn away from socialism, improbable in the near term, would be likely to drive this faction of Communists into active opposition. Furthermore, pressure from Moscow will probably continue to be exerted on the Party to keep it allied with Gandhi.

31. The underground opposition may grow slowly in size and effectiveness over the next three years if the emergency is prolonged. Again, the economy will be instrumental in determining the future success or failure of an underground campaign. At present, the security and intelligence forces appear loyal to the government and adequate in size and training to contain any dissident movement.

32. Frustration and repression, nevertheless, could lead to an increase in the number of incidents of anti-government violence over the next few years. Among the politically conscious, Gandhi is either idolized or hated; the emergency has polarized Indian politics as probably nothing else since independence. With no legal outlet for their opposition to the government, politically active Indians could turn increasingly to clandestine activities and violence.

33. The present repression could also eventually stimulate latent regional opposition to the center. While probably beyond the time frame of this paper, there is a potential for the growth of significant opposition to the central government in the extreme south of India, in West Bengal, and in Kashmir. Gandhi's concentration of power in New Delhi has

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tended to eliminate some of the strengths of the federal system so important for a country as ethnically and culturally diverse as India.

Possible Course of Action

34. Gandhi could defuse somewhat the threat of violence and dissident regionalism by moving to conciliate her enemies. The most obvious moves would be suspending the emergency, releasing political prisoners, and holding national elections.

35. With the continued absence of significant opposition, Gandhi could well choose to lift the emergency -- it could be reimposed at any time -- and hold national elections. Elections would appear likely late this year or in the first half of 1977. Having little to fear in elections from the disparate opposition, we would expect her to release most, if not all, of the political leaders now in jail. Some might be released, however, only on condition they quit politics. Any election held, even if carried out with scrupulous honesty, would almost certainly lead to a very large Congress Party victory -- giving Gandhi, once again, the majority in Parliament necessary to amend the constitution at will.

36. Some form of censorship, meanwhile, is likely to remain in force indefinitely. During her ten years in office, Gandhi has frequently demonstrated resentment at the press for its criticism of her and its support of her enemies. She probably had newspapers in mind when she warned shortly after the emergency was proclaimed that there could be no return to the "permissiveness of the past." It is possible that censorship will continue to be loosened, as it has been slightly since the early days of the emergency, but not removed entirely. Editors and reporters can be expected to continue to test the barriers to determine how far they can safely go. Meanwhile, Gandhi has moved in another direction to assure friendly coverage in the large newspaper chains in India by exerting increasing influence over their publishers.

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37. Gandhi's campaign against the restraints which the courts have sought to place on her can also be expected to continue. In April 1976, the Working Committee of the Congress Party proposed constitutional changes which would restrict the power of judicial review at both federal and state levels of legislation. Another proposal is to the effect that amendments to the constitution cannot be called into question "in any court on any ground." If eventually passed by parliament, as seems inevitable, this latter change would surmount a major hurdle to government plans for basic changes in the constitution via the amendment process.

38. In short, now that Gandhi has clearly established herself as the unchallenged leader of India, she may be willing to lift some repressive measures. It is unlikely, however, that she will retreat from a basically authoritarian approach to governing.

International Relations

39. The prime minister and most of her countrymen harbor a deep-seated desire to make India strong enough to stand on its own, free from dependency on any other power. They also want to limit foreign involvement in bilateral disputes within South Asia. India's recent initiatives toward China and Pakistan, as well as the sending of an ambassador to Moscow after a year's hiatus, probably indicate a decision by New Delhi to play a more active role in international affairs. Recent years have seen India concentrate on internal problems while abdicating to more radical states a once leading position in the Third World. At the Non-Aligned Summit Conference, scheduled for Colombo in August 1976, India's apparent goal of reasserting a leading role in the movement may become clearer. Meanwhile, New Delhi can be expected to continue its active effort to restrict membership in the movement to those states not allied to either East or West. The primary object of this activity will be to keep the traditional enemy, Pakistan, out of the non-aligned group.

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40. The possibility exists of growing rivalry between India and Iran, the only other regional nation with major power ambitions. India's hopes for further Iranian economic assistance, concessional oil prices, and its desire to minimize Tehran's political and military support of Pakistan, should keep New Delhi from permitting a serious confrontation to develop. Tehran, likewise, is interested in reducing the likelihood of friction, and Iran has worked for better relations in recent years on a number of fronts.

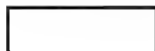
41. India's vast size and relative power within South Asia will continue to worry smaller states in the region. New Delhi considers South Asia as an area of its primacy, if not hegemony, and will have little tolerance for opposition from its smaller neighbors. Bhutan, and to a lesser degree Nepal, will continue to be dominated by India. Relations with Sri Lanka are good and are likely to remain so for the period of this memorandum.

42. Relations with Bangladesh present the most likely source of trouble during the next three years. Political instability, compounded by almost insurmountable economic problems, will remain a feature of life in Dacca. While the present government is apparently acceptable to New Delhi, there is no assurance it will remain in power for even one, let alone three years. Any successor would probably be less acceptable to the Indians.

43. Violent political changes in Bangladesh could be accompanied by communal clashes and a large-scale movement of Hindu refugees into India. The communal disturbances could erupt as a result of long-standing Hindu-Muslim hatreds or, conceivably, could be stimulated by New Delhi as a pretext for eventual military intervention. The latter would increase in probability if there were a change of government in Dacca followed by a shift of foreign policy toward greatly improved relations with Islamabad and Peking. Regardless of the cause of the refugee flow, India could be expected to first threaten and then actually intervene militarily in Bangladesh.

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44. The restoration of diplomatic relations with Pakistan, as agreed to in the May 1976 bilateral negotiations, will make communication between New Delhi and Islamabad easier, but the historic drive of India for regional leadership will continue to be rejected by Pakistan. At best, relations will probably be cool and correct, interspersed with periods of heightened tension. Basic differences, e.g., the status of Kashmir, will remain, although neither government will be likely to press any issue to open confrontation. Probably the most dangerous scenario for the next three years in South Asia would evolve if India were to move militarily into Bangladesh and the latter called for international assistance. In the case of Pakistan, we would expect Prime Minister Bhutto to try to calibrate his nation's response so as to avoid another war with a militarily superior India.

45. Despite the upcoming exchange of ambassadors, India's relations with China will probably improve only marginally because of the reservoir of mutual suspicion and a competitive interest in South Asia. While the present leadership in Peking presumably will continue its efforts to detach India from its close ties to Moscow, it is unlikely to be willing to jeopardize its own intimate relationship with Pakistan in the absence of firm indications from New Delhi that a major realignment of Indian foreign relations is likely. We do not expect India to make such a realignment.

46. Gandhi has made it clear that a basic plank of her foreign policy is continued close relations with the Soviet Union. New Delhi's efforts, however, to diversify its sources of military equipment, combined with growing indigenous defense production, will make India less reliant on Moscow. In the political arena, the two nations' interests are likely to coincide more often than not. Even so, New Delhi will probably seek to improve relations to a limited degree with China and the United States in an effort to establish a more balanced relationship with the three great powers.

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47. Relations with the United States can be expected to continue much as they have existed over the past three years with periods of strain alternating with moves toward accommodation. Gandhi would like to see her regime gain more acceptance from other countries, especially the United States. While Indian leaders would like to retain an aid tie to Washington, especially for food aid, they remain suspicious of United States' aims and activities in South Asia and in the Indian Ocean. Any major commitment of US arms to Pakistan would strain US-Indian relations, at least temporarily. Finally, Gandhi and many of her associates will continue to find the United States a convenient scapegoat whenever a diversion is needed from domestic problems.

48. India's drive for recognition as a major power in the world was given a substantial boost by the explosion of a nuclear device in May 1974. Indian leaders claimed then, and still do, that they are developing nuclear explosives solely for peaceful purposes. No second blast has occurred, but the Indians have repeatedly indicated that more nuclear tests will be conducted after the results of the first explosion have been thoroughly studied. In February 1976, the chairman of the Indian Atomic Energy Commission stated that the analysis had already been completed. A major constraint on carrying out a second test was removed in May 1976 when the Canadian government announced that it would not resume assistance, suspended following the first test, for India's nuclear power program. As long as the negotiations for resumption of Canadian assistance were underway, India was unlikely to conduct another blast.

49. With the removal of this factor, the Indians may move ahead with plans to conduct a second test. Little information is available on the timing of the next test, however, and it is likely that the Indian leadership, itself, has not established a firm testing schedule. India will approach the decision to resume testing very pragmatically. Considerations which India will take into account include the present

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delicate stage in the normalization of relations with Pakistan and China, the forthcoming Non-Aligned Summit Conference in August, and the license application for nuclear fuel shipments for the Tarapur reactors pending before the US Nuclear Regulatory Commission. Although a recent report has indicated that a test may be planned within the next 30 days, it is likely that no such event will occur before this fall.

50. In any event, it is prudent to assume that over the next few years India will move to develop a modest stockpile of nuclear weapons, [REDACTED]

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[REDACTED] A major constraint on the size and shape of any Indian nuclear weapons force would be delivery capability. The only bombers now in the Indian inventory are slow Canberras, which have a combat radius of only about 1,000 nm with a 5,000-lb payload. The Indians are looking at planes which are faster and more maneuverable than the Canberras, but which have a considerably shorter combat radius. In order to obtain a long-range nuclear delivery capability within the time frame of this memorandum, India would have to purchase suitable long-range bombers. Efforts to develop a suitable missile delivery capability have been in progress since the 1960s; however, it will be the mid-1980s before that capability is realized.

* * * * *

51. This memorandum up to this point has been based on an assumption that no totally unexpected events occur -- such as the sudden disappearance of Gandhi from the scene. It is impossible to create with any degree of assurance a scenario of events that would be likely to follow her demise. Gandhi's sudden removal would undoubtedly heighten factionalism within the Congress Party and fuel opposition activity. This could create a temporary law and order problem.

52. With Gandhi gone, there might initially be a period of collegial rule. Fairly soon, however, there would be a move to select a single leader, probably a senior cabinet member. There

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is no obvious choice, but either Minister of Agriculture Jagjivan Ram or Foreign Minister Y. B. Chavan despite their advanced ages, would be possible choices. Alternatively, the Congress high command might settle on some lesser known figure acceptable to most, if not all, of the party.

53. Conceivably, Sanjay Gandhi would attempt to succeed his mother. A move by Sanjay to grab power for himself would fly in the face of recent Indian history and traditional Indian preference for older leaders. Perhaps more likely would be an effort by Sanjay to act as a power broker.

54. Direct involvement by the armed forces in any succession struggle would be likely only if the Congress Party failed to unite around a single candidate and if, in the confusion that followed, there were threats of disintegration of the nation's political structure. Even then, they would probably consult first with the president, to whom they are responsible according to the constitution. Any action taken by the armed forces would probably be accompanied by a commitment for early return of the nation to civilian government.

55. Assuming that the transition to another Congress government was orderly, we would expect no basic change in Indian foreign policy -- at least in the near term. These policies have evolved over a period of nearly three decades. Probably the most significant immediate change to be noted by the outside world would be a lack of decisiveness at the top, possibly combined with renewed dissension within party ranks. There is some potential danger in such a scenario as the new leadership, uncertain of its support within India, might attempt to rally the nation by adopting a strongly nationalistic -- even bellicose -- attitude toward some of its neighbors.

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